

Apple Reports Second Quarter Results

Record March Quarter Drives 83 Percent Revenue Growth, 95 Percent Profit Growth

Record iPhone Sales Grow 113 Percent

CUPERTINO, California—April 20, 2011—Apple today announced financial results for its fiscal 2011 second quarter ended March 26, 2011. The Company posted record second quarter revenue of \$24.67 billion and record second quarter net profit of \$5.99 billion, or \$6.40 per diluted share. These results compare to revenue of \$13.50 billion and net quarterly profit of \$3.07 billion, or \$3.33 per diluted share, in the year-ago quarter. Gross margin was 41.4 percent compared to 41.7 percent in the year-ago quarter. International sales accounted for 59 percent of the quarter's revenue.

Apple sold 3.76 million Macs during the quarter, a 28 percent unit increase over the year-ago quarter. The Company sold 18.65 million iPhones in the quarter, representing 113 percent unit growth over the year-ago quarter. Apple sold 9.02 million iPods during the quarter, representing a 17 percent unit decline from the year-ago quarter. The Company also sold 4.69 million iPads during the quarter.

“With quarterly revenue growth of 83 percent and profit growth of 95 percent, we’re firing on all cylinders,” said Steve Jobs, Apple’s CEO. “We will continue to innovate on all fronts throughout the remainder of the year.”

“We are extremely pleased with our record March quarter revenue and earnings and cash flow from operations of over \$6.2 billion,” said Peter Oppenheimer, Apple’s CFO. “Looking ahead to the third fiscal quarter of 2011, we expect revenue of about \$23 billion and we expect diluted earnings per share of about \$5.03.”

Apple will provide live streaming of its Q2 2011 financial results conference call beginning at 2:00 p.m. PDT on April 20, 2011 at www.apple.com/quicktime/qtv/earningsq211. This webcast will also be available for replay for approximately two weeks thereafter.

This press release contains forward-looking statements including without limitation those about the Company’s estimated revenue and earnings per share. These statements involve risks and uncertainties, and actual results may differ.

Risks and uncertainties include without limitation the effect of competitive and economic factors, and the Company's reaction to those factors, on consumer and business buying decisions with respect to the Company's products; continued competitive pressures in the marketplace; the ability of the Company to deliver to the marketplace and stimulate customer demand for new programs, products, and technological innovations on a timely basis; the effect that product introductions and transitions, changes in product pricing or mix, and/or increases in component costs could have on the Company's gross margin; the inventory risk associated with the Company's need to order or commit to order product components in advance of customer orders; the continued availability on acceptable terms, or at all, of certain components and services essential to the Company's business currently obtained by the Company from sole or limited sources; the effect that the Company's dependency on manufacturing and logistics services provided by third parties may have on the quality, quantity or cost of products manufactured or services rendered; risks associated with the Company's international operations; the Company's reliance on third-party intellectual property and digital content; the potential impact of a finding that the Company has infringed on the intellectual property rights of others; the Company's dependency on the performance of distributors, carriers and other resellers of the Company's products; the effect that product and service quality problems could have on the Company's sales and operating profits; the continued service and availability of key executives and employees; war, terrorism, public health issues, natural disasters, and other circumstances that could disrupt supply, delivery, or demand of products; and unfavourable results of other legal proceedings. More information on potential factors that could affect the Company's financial results is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's public reports filed with the SEC, including the Company's Form 10-K for the fiscal year ended September 25, 2010, its Form 10-Q for the quarter ended December 25, 2010, and its Form 10-Q for the quarter ended March 26, 2011 to be filed with the SEC. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App Store, and has recently introduced iPad 2 which is defining the future of mobile media and computing devices.

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